

# FTF Internal Audit Service

## Charging for Services Process Report No. AN05/21

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## CONTEXT AND SCOPE

1. The 2020/21 Annual Internal Audit Plan (as amended December 2020) included a review of the charging processes in place to manage charging for Adult Social Care Services. It was agreed this would be a piece of consultancy work rather than an audit.
2. The scope was to review, document, and map the procedures in place to manage the charging processes with the aim to try and limit the level of bad debt, help service users manage payments more easily and to address potential inefficiencies highlighted by management.
3. Angus Council charges for a range of Adult Social Care Services, including residential care services, and raises invoices and collects income related to this.
4. Several departments within Angus Health & Social Care Partnership (AHSCP) and Angus Council are involved in this process. Management are aware of some issues and inefficiencies and have established the AHSCP Charging Group which includes staff and management from some of the teams involved in the charging process. It was through this group that management asked for this consultation to be done as some departments do not understand fully how their processes interact with others and there is no documented overview of the whole system. With a number of identified weaknesses there is an acknowledged need for an improvement exercise. In 2019/20 c£10m of charges were raised (75% residential, 25% non-residential). In December 2019, the IJB noted that a provision for £1m of cumulative irrecoverable debt would be made in the IJBs 2019/20 accounts.
5. Questions have been raised by AHSCP management about whether or not invoices are raised timeously, efficiently, correctly, and presented to the correct people, and around arrangements regarding Charge Orders. Beyond raising of charges there are known issues with the effectiveness of the income and debt recovery processes and book-keeping.
6. Some elements of the system have been mapped and changes to processes considered. It was agreed at an Income Management Review meeting in 2020 that the overall system needed to be mapped and it was subsequently agreed in December 2020 this could form part of the Annual Internal Audit Plan.
7. The scope of this review is to document and report on the procedures in place to manage charging for Adult Social Care Services, with particular attention to the issues discussed at paragraph 5 above and with a view to setting out improvement actions. Key aims of this work were to assist in the development of systems to limit the level of bad debt and help service users manage payments more easily, providing both financial and non-financial benefits.
8. The work was carried out by Angus Council Internal Audit on behalf of FTF as part of the agreement of shared services. The work identifies the procedures in place to manage charging for services, from identification of the need to charge through to debt collection.

9. Angus IJB sets out its vision for change and improvement in its strategic plan. The plan sets out four strategic priorities through which change and improvement are to be delivered.
  - Priority 1: Improving Health, Wellbeing, and Independence
  - Priority 2: Supporting Care Needs at Home
  - Priority 3: Developing integrated and enhanced Primary Care and community responses
  - Priority 4: Improving integrated care pathways for priorities in care.
10. Below the strategic plan, the Angus Care Model and the Improvement and Change Programme encompass the majority of plans to effect change to deliver these priorities.

## REVIEW FINDINGS

11. We interviewed a number of staff and mapped the processes involved in detail as well as identifying a significant number of questions and issues to be resolved including suggested changes to working practices. These are recorded in two separate documents:
  - A process map of all elements of the AHSCP charging process, Appendix 1
  - Observations and recommendations relating to the documented processes, including gaps in the process, Appendix 2, and
  - Observations and recommendations relating to issues identified that the review did not have sufficient time to explore fully and which should be further considered, Appendix 2
  - As will be evident from the content of this report the processes under review are wide ranging and complex, reflecting this it has to be expected that some of the comments and observations may need to be refined during the implementation process.
12. The key findings and areas for action include:
  - It is evident that there is a lack of clear accountability or ownership for some tasks/processes. In undertaking the suggested actions from this consultation, the aim should be to have clear ownership for all tasks and accountability for debt within each service.
  - Following the current process correctly would reduce the accumulation of bad debts, although some are unavoidable due to the nature of the clientele.
  - Some processes have stopped being used as services and support teams have evolved and these should be re-established, which will require training and communication between teams.

- Better management information is required and once this is established benchmarking across services should be undertaken to identify and share good practice.
- Debt Management reporting should be enhanced, shared and the system should be investigated so a means by which a statement can be produced for the Service User.
- Future service redesign work needs to make sure that the impact on internal controls is considered fully to ensure unintended consequences do not occur.
- We recommend that the issues in Appendix 2 are discussed by the Charging Group and a SMART action plan is agreed and implementation progress is monitored by the group. The terms of reference of the group may require updating to allow this.

## ACKNOWLEDGEMENT

13. We would like to thank all members of staff for the help and co-operation received during the course of the audit.

**A Gaskin BSc. ACA**  
**Chief Internal Auditor**